



**MILLENNIUM
PIPELINE**

Columbia Gas, Building New York's Energy Future



Millennium Natural Gas Pipeline Project

Objective: To provide consumers in the Northeast with the additional natural gas infrastructure that is required to meet their energy needs and to satisfy electric powerplants' escalating requirements for clean-burning natural gas.

Project Scope: The 442-mile Millennium Project (utilizing more than 90 percent existing easements) will extend from the Canadian border across the southern tier of New York State to the New York City metropolitan area. Interconnections with five gas utilities, six storage fields, and five interstate pipelines at more than 40 points on Millennium's system will significantly enhance the efficiency of the Northeast's existing natural gas delivery systems.

Sponsors: The \$700 million Millennium Project will be constructed and operated by a partnership formed by four major North American energy companies – Columbia Gas Transmission Corporation, MCN Energy, Inc., TransCanada PipeLines Limited, and Westcoast Energy (U.S.) Inc.

Markets: Most of the Millennium Project's capacity has already been subscribed under contracts with seven active gas marketers, producers, distribution companies, and end users. Millennium will have the ability to immediately begin deliveries of more than 700 million cubic feet of natural gas per day, reaching markets in New York, New Jersey and Pennsylvania.

Consumer Benefits: The Millennium Project will reduce energy prices in the Northeast, improve the reliability of the region's gas grid, promote a cleaner environment, spur the development of emerging power generation technologies, alleviate peak-period energy shortages, diversify energy supplies, and reduce regional reliance on imported oil.

Environmental Features: More than 90 percent of the Millennium Project's route will utilize existing utility corridors. About 224 miles of existing pipeline that is almost 50 years old will be replaced with new, state-of-the-art pipeline, enhancing the reliability, efficiency, and safety of gas service. Clean Air Act objectives will be advanced by reducing SO² emissions by more than 235,000 tons and No_x emissions by more than 55,000 tons each year. Nearly 97 percent of potentially affected landowners have granted Millennium permission to survey their property. More than 20 route alterations have been incorporated in response to community input.

Other Benefits:

- Creation of up to 4,000 union construction jobs to complete the project, working one full construction season.
- Generation of up to \$15 million annually in tax revenue for New York state.
- Economic development opportunity for upstate New York regions.
- New opportunities for US producers to access Northeast markets.

Regulatory Status: The Federal Energy Regulatory Commission issued an interim Certificate Order on December 19, 2001. In early May, Millennium reached agreement with the City of Mount Vernon, NY on acceptable routing to allow an interconnection with the Con Edison distribution system



Federal and State Agency Actions on Millennium's Hudson River Crossing Plan

Agency	Action	Comment
New York Department of Environmental Conservation	Issued Section 401 Water Quality Certificate on December 8, 1999 (under the Clean Water Act)	<p>The DEC conducted a full environmental analysis of all NY state water bodies affected by the Millennium pipeline, including the Hudson. This certificate indicates the agency's satisfaction with Millennium's plan to construct the pipeline while protecting the state's water resources.</p> <p>In a May 7, 2002 letter to Millennium, the DEC further indicated that it was satisfied with the contingency plan submitted by Millennium in the event that there is a need for limited blasting near the eastern shore of the Hudson.</p>
National Marine Fisheries Service	Issued a favorable Biological Opinion for the Millennium project on September 14, 2000	In its analysis of the Hudson crossing plan, NMFS concluded that construction of the Millennium pipeline according to the plan submitted by the company might kill or injure ONE shortnose sturgeon and was not likely to result in jeopardy to the species.
Federal Energy Regulatory Commission	Issued a favorable Draft Environmental Impact Statement in April 1999 , a favorable Supplemental Environmental Impact Statement in March 2000 , a favorable Biological Assessment and Essential Fish Habitat Assessment on January 17, 2001 , and a favorable Final Environmental Impact Statement on October 4, 2001 .	In its exhaustive investigation, FERC environmental staff analyzed a number of alternative Hudson River crossings, and concluded that the route proposed by Millennium was environmentally acceptable and the only feasible option .
	Issued a Certificate of Public Convenience and Necessity authorizing the construction of the Millennium Project on December 19, 2001 .	Certificate was issued after four years of analysis, public comment and agency input.
Environmental Protection Agency	Removed objections to all aspects of Millennium, including Hudson River Crossing on December 7, 2001 .	In a letter to FERC, EPA stated "significant progress has been made by Millennium toward addressing our overall concerns regarding this project. Accordingly, EPA removes its objections to it."
New York Department of State	Issued decision on May 9, 2002 stating that Millennium did not comply with policies of the state's Coastal Management Program.	Millennium has provided an analysis of the DOS action, pointing out flaws and inconsistencies with the decision.

Within and among the federal government, regional transmission organizations, independent system operators and others responsible for assuring the reliable provision of energy to consumers across the country, there is a widespread recognition of the need to pay increased attention to regional and national interests in the siting of power generation and transmission facilities. While well-informed state siting agencies are beginning to acknowledge this fact, it is still possible, indeed fairly likely, under current siting regimen for parochial interests to delay, if not thwart entirely, the construction of projects that have been approved by the appropriate federal and state agencies and determined to serve the broader public interest.

A case in point is an ongoing effort by Cross-Sound Cable Company LLC to install a submerged electric transmission cable under the seabed of Long Island Sound from New Haven, Ct., to Long Island. This project, in various forms, has been in the works for several years. The cable project has now received required approvals from the Federal Energy Regulatory Commission, the U.S. Army Corps of Engineers, the Connecticut Department of Environmental Protection, the Connecticut Siting Council, the Connecticut Department of Utility Control and the New York Public Service Commission.

In January 2001, after extensive public hearings, the Connecticut Siting Council granted a certificate of environmental compatibility and public need to construct, operate and maintain the cable project. In doing so, the siting council determined that the cable project: (a) provides a public benefit; (b) does not create any environmental impact that would provide a "sufficient reason to deny the application;" (c) conforms to a long-range plan for expanding electric power in this area; and (d) does not pose an undue hazard to persons or property along the area traversed by the line.

Emphasizing the lessons learned about the importance of interstate cooperation and the growing recognition of the nation's interdependence on essential infrastructure, the siting council stated in its approval that: "We believe that the proposed project would enhance the inter-regional electric transmission infrastructure and improve the reliability and efficiencies of the electric system here in Connecticut as well as in New York."

The New York Public Service Commission similarly found that the cable project is critical to ensuring the reliability of electric service and that it will provide important economic benefits to New York and New England. The cable project has also received the support of the Independent System Operator-New England (ISO-NE), which found that it will improve the reliability of Connecticut's and the region's electric system and reduce the probability of ISO-NE taking emergency actions to maintain system reliability. New York's attorney general has urged timely completion of the cable project, which he deems "vital to ensuring that both states have enough power to meet the energy demands of the peak summer season."

Siting Energy Projects: Parochialism Dies Hard



No agency charged with evaluating the cable project's environmental impacts—including the Connecticut Department of Environmental Protection, the siting council and the New York Department of Environmental Conservation—has expressed any serious reservations about anticipated adverse effects of the project.

Nonetheless, citing unsubstantiated environmental and navigational concerns, Connecticut Attorney General Richard Blumenthal (D) and the City of New Haven have waged an unwavering, aggressive battle to impede the cable project. The bottom line message is that the cable project should go anywhere else but here. The gauntlet of legal challenges brought by either the attorney general, the city or both includes:

- Appealing the siting council's approval in Connecticut Superior Court, legally challenging the action of this state agency, the attorney general's own client under Connecticut law;
- Requesting a stay to prevent Cross-Sound's continued work on the cable project;
- After a stay was denied, appealing the denial to the Connecticut Appellate and Connecticut Supreme courts;
- Issuing a stop-work order, temporarily halting construction of a land-based substation necessary for the project;
- Seeking an injunction preventing Cross-Sound from using an easement over city property to gain access to the substation worksite; and
- Petitioning the Army Corps for revocation of Cross-Sound's permit.

Months after the state and federal permits had been received, the Connecticut General Assembly, by a wide margin, passed a retroactive moratorium bill that would have brought an immediate one-year halt to the construction of all electric and natural gas lines crossing Long Island Sound. The legislation specifically targeted electricity transmission line projects crossing Long Island Sound that have already received final regulatory approval. This retroactive ban would have affected one project—Cross-Sound's. Ultimately, Connecticut Gov. John Rowland (R) vetoed the legislation, stating his concerns about its constitutionality.

To date, Cross-Sound has successfully overcome these challenges, although doing so cost the cable project extensive time and resources. In short, provincial, shortsighted and local interests have threatened the viability of a project that is in the region's best interest, despite findings by all reviewing agencies that there is no significant adverse impact, environmental or otherwise.

Public participation in the siting process and the public dissemination of information about proposed projects enable agencies to make reasonable siting determinations. Local interests are important, but are only a factor. It is 2002; isn't it time for local interests to recognize they are part of a bigger picture not framed by their geographic borders?

—Alan Schwartz is a partner in the New Haven, Ct., office of Wiggin & Dana. His practice focuses on utility company litigation.

MILLENNIUM PIPELINE

For more than half a century, Columbia Gas Transmission has been providing safe and reliable energy service in New York. Today, the Millennium Pipeline Project represents an opportunity to expand the state's energy infrastructure by providing competitively-priced supplies of clean burning natural gas to fuel New York's growing energy needs.

The advantages of natural gas as a fuel to drive economic growth include plentiful reserves, a cost-effective, efficient delivery system, and compatibility with the environment. The new facilities also represent a tax benefit to counties and municipalities in which the pipeline will operate.

Our pledge is to complete the Millennium project in a manner that places the highest priority on safety, environmental integrity, property owners and community concerns, as well as customer service and reliability.

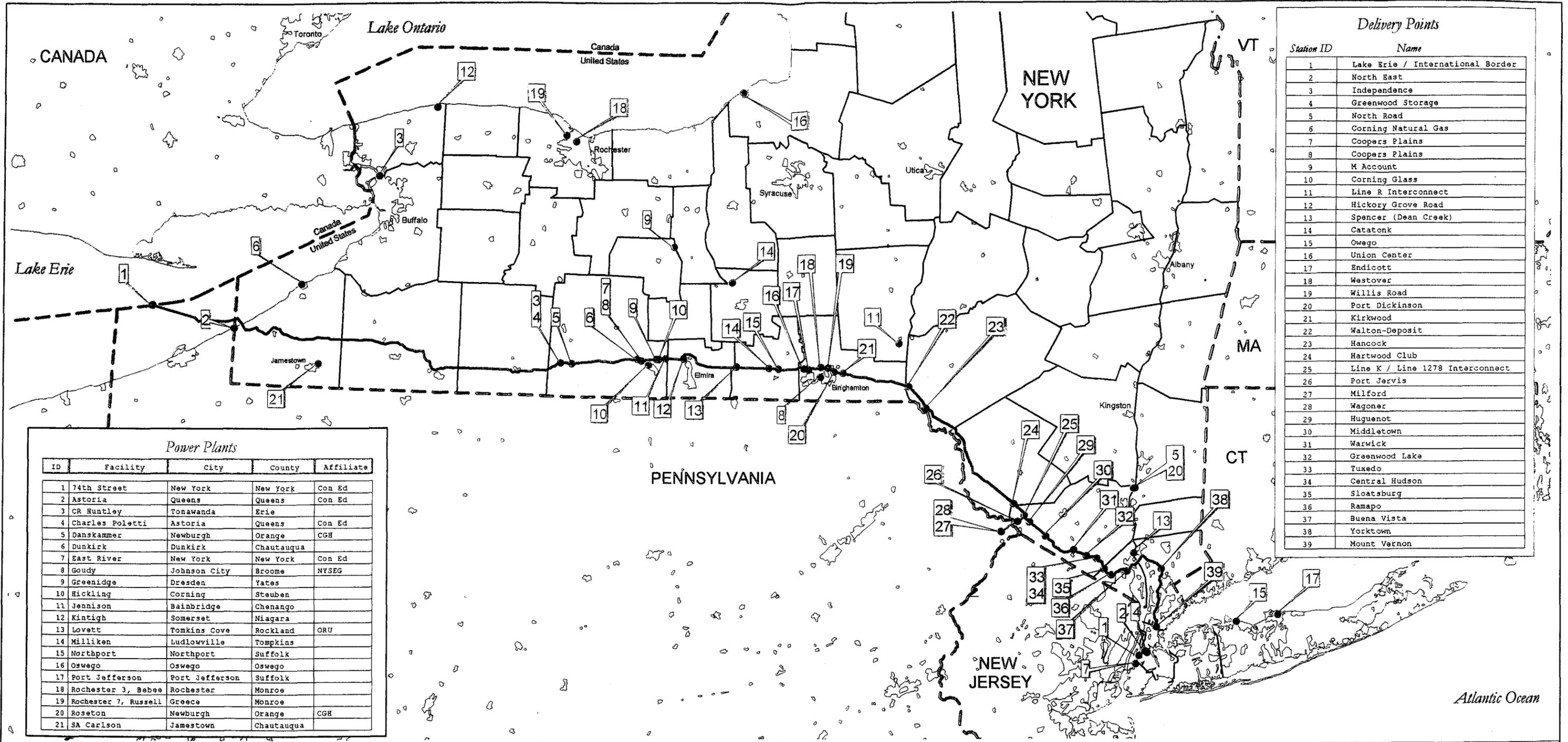
Columbia Gas Transmission, through the Millennium project, looks forward to assisting New York in achieving economic growth and prosperity into the twenty-first century.

The Millennium Pipeline Project
Columbia Gas Transmission



Millennium Appeal – Key Arguments

- **The Federal Energy Regulatory Commission** has issued a Certificate for the Millennium pipeline project as well as a Final EIS as required under NEPA, determining that it is statutorily required by the public convenience and necessity to authorize this project.
- As part of its exhaustive review of all aspects of this project, including the Hudson River crossing, the FERC has compiled a comprehensive record of data that it concluded would withstand all challenges under all pertinent federal and state statutes and regulations . **There is no need to open the process for more information gathering or public or agency comments.**
- Beyond the FERC's determination that the Hudson crossing was acceptable and the only economic, environmentally compatible , and technologically feasible crossing. Other key agencies, **including the NY Department of Environmental Conservation, the National Marine Fisheries Service of the Department of Commerce (NMFS) and the EPA** have endorsed the crossing as well.
- **The National Energy Policy Development Group** recommended in its May 2001 National Energy Policy Report that the President direct the Secretaries of Interior and Commerce to re-examine the current federal legal and policy regime (statutes, regulations and Executive Orders) **to determine if changes are needed regarding energy related activities and the siting of energy facilities in the coastal zone** and on the Outer Continental Shelf.
- This project will supply significant volumes of natural gas to an area that has a **critical need** for new power generation, home heating alternatives, a diminution of regional dependence on imported home heating oil, growth in natural gas-fueled mass transit, and amelioration of an air shed area that is a Clean Air non-attainment zone.



Delivery Points	
Station ID	Name
1	Lake Erie / International Border
2	North East
3	Independence
4	Greenwood Storage
5	North Road
6	Corning Natural Gas
7	Coopers Plains
8	Coopers Plains
9	M Account
10	Corning Glass
11	Line R Interconnect
12	Hickory Grove Road
13	Spencer (Dean Creek)
14	Catatonk
15	Owego
16	Union Center
17	Endicott
18	Westover
19	Willis Road
20	Port Dickinson
21	Kirkwood
22	Walton-Deposit
23	Hancock
24	Hartwood Club
25	Line K / Line 1278 Interconnect
26	Port Jarvis
27	Milford
28	Wagoner
29	Huguenot
30	Middletown
31	Warwick
32	Greenwood Lake
33	Tuxedo
34	Central Hudson
35	Sloatsburg
36	Ramapo
37	Buena Vista
38	Yorktown
39	Mount Vernon

Power Plants				
ID	Facility	City	County	Affiliate
1	74th Street	New York	New York	Con Ed
2	Astoria	Queens	Queens	Con Ed
3	CR Huntley	Tonawanda	Erie	Con Ed
4	Charles Poletti	Astoria	Queens	Con Ed
5	Danskammer	Newburgh	Orange	CGH
6	Dunkirk	Dunkirk	Chautauqua	
7	East River	New York	New York	Con Ed
8	Goudy	Johnson City	Broome	NYSEG
9	Greenidge	Dresden	Yates	
10	Hickling	Corning	Steuben	
11	Jennison	Bainbridge	Chenango	
12	Kintigh	Somerset	Niagara	
13	Lovett	Tomkins Cove	Rockland	ORU
14	Milliken	Ludlowville	Tompkins	
15	Northport	Northport	Suffolk	
16	Oswego	Oswego	Oswego	
17	Port Jefferson	Port Jefferson	Suffolk	
18	Rochester 3, Bebee	Rochester	Monroe	
19	Rochester 7, Russell	Greece	Monroe	
20	Roseton	Newburgh	Orange	CGH
21	SA Carlson	Jamestown	Chautauqua	

LEGEND

- Proposed Millennium Pipeline
- Existing Line K \ Line 1278 (TCO)
- Delivery Points
- "Dirty Power Plants" as identified by Environmental Advocates
- State Boundaries
- County Boundaries
- Cities

GENERAL NOTES AND REFERENCE DRAWINGS

30 0 30 60 Miles

Scale: 1" = 30 Miles

North Arrow

File path: k:\engr\gis\projects\vp\save\library\pod_powplant.prt

File path: f:\engr\power_plants\power_plants.apr

THIS DESIGN IS THE PROPERTY OF MILLENNIUM PIPELINE COMPANY. THIS DESIGN MUST NOT BE REPRODUCED OR LOANED WITHOUT PERMISSION AND MUST BE RETURNED UPON REQUEST.

NO	DATE	DESCRIPTION	OWN	APP'D	APP'D

REVISIONS

SCALE
1" = 2,000,000

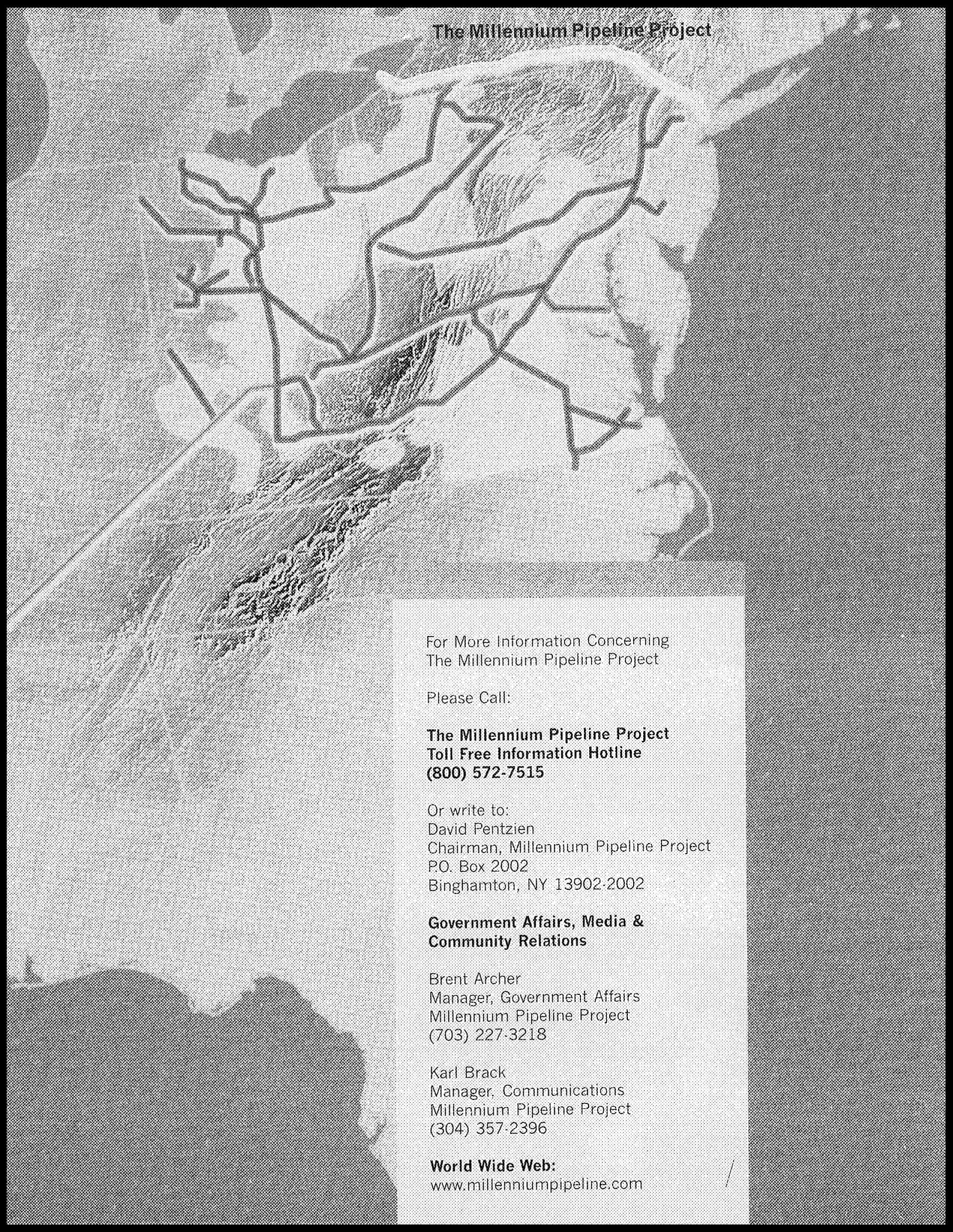
FLUOR DANIEL WILLIAMS BROTHERS

MILLENNIUM PIPELINE COMPANY

Millennium Pipeline Delivery Points and Select Power Plants

PROJ NO	11852500
MILLENNIUM DWG NO	
AREA	DISTRICT
DRAWING NO	8525-GIS-5380
GIS NO	
SHT	1 OF 1 SHTS

DRAWN	CFC	DATE	9/30/99	CHECKED	JRA	DATE	9/30/99	PROJ ENGR	JRA	DATE	9/30/99
APP'D	JRA	DATE	9/30/99								



The Millennium Pipeline Project

For More Information Concerning
The Millennium Pipeline Project

Please Call:

**The Millennium Pipeline Project
Toll Free Information Hotline
(800) 572-7515**

Or write to:

David Pentzien
Chairman, Millennium Pipeline Project
P.O. Box 2002
Binghamton, NY 13902-2002

**Government Affairs, Media &
Community Relations**

Brent Archer
Manager, Government Affairs
Millennium Pipeline Project
(703) 227-3218

Karl Brack
Manager, Communications
Millennium Pipeline Project
(304) 357-2396

World Wide Web:
www.millenniumpipeline.com